


STATE OF INDIANA



Eric J. Holcomb, Governor
Devon McDonald, Executive Director

TO: All ICJI Staff and Subgrantees

FROM: Devon McDonald, Executive Director 

RE: Reimbursement of Partially Grant-Funded Employees
Grant Management Directive 2

EFFECTIVE DATE: October 1, 2018 – Revised March 4, 2020

Issue: Many of the Indiana Criminal Justice Institute's ("ICJI") subgrantees have budgetary line items for personnel. The majority of employees listed in the personnel budget category only dedicate a portion of their actual time worked to grant-funded activities. To properly reflect that, the approved grant budget should state a defined percentage of time devoted to grant-funded activities per employee. How can subgrantees ensure that proper documentation is submitted for partially grant-funded employees?

Answer: Subgrantees may only seek reimbursement for the actual percentage that the employee performed grant-funded activities. Adequate supporting documentation evidencing that the expenditures are accurate, allowable, and properly allocated must accompany all fiscal reports. If adequate supporting documentation is not submitted, the fiscal report will be returned to the subgrantee. No fiscal report will be processed until all supporting documentation is submitted to and approved by ICJI. Adequate supporting documentation for personnel and benefit expenses includes, but is not limited to:

- Timesheets signed by the grant-funded employee and their authorized official, pay stubs, or other source documentation that supports the distribution of the employee's wages and salaries among specific activities or cost objectives if the employee works on more than one federal award; a federal award and a non-federal award; an indirect cost activity and a direct cost activity; two or more indirect activities; or an unallowable activity and a direct or indirect cost activity.
- Source documentation evidencing the actual costs of employee benefits paid by the subgrantee.

A subgrantee must submit a Project Modification Request ("PMR") to ICJI to report all deviations from the project scope or objective. Deviations in the scope or objective of the project or program requiring prior approval include, but are not limited to:

- An employee's work on the approved project or program will transcend a period other than the period described in the approved application, or less than the grant's period of performance;
- Programmatic services that are grant-funded will cease being grant-funded at a point prior to the end of the grant's period of performance; or
- An employee who is dedicated to a project or program is going to become dedicated to activities other than those indicated in the approved funding application prior to the end of the grant's period of performance.

Additionally, subgrantees must:

- Possess and utilize a system of internal controls, which provide reasonable assurance that all expenditures are accurate, allowable, and properly allocated.
- Ensure that all grant and match expenditures and corresponding supporting documentation reflect the actual work activity for which the employee is compensated, not to exceed 100% of the compensated activities.
- Maintain and utilize an adequate accounting system to separately track all expenditures and only seek grant funds or use as match expenditures that are accurate, allowable, and allocable.
- Possess and utilize a system of internal controls that includes processes to review after-the-fact interim charges made to grant awards. All necessary adjustments must be made such that the final amount charged to the grant award is accurate, allowable, properly allocated, and not in excess of the approved budgetary line item.
- Ensure that they do not earn or keep any profit from federal or state grants administered by ICJI.
- Have budget controls in place to relate financial information to performance data.